

## **The complaint**

Mr P complains that Cia Insurance Services Limited mis-sold his landlord's legal expenses insurance.

## **What happened**

In October 2019 Mr P took out a landlord's insurance policy for a property he owned and let to tenants. He decided to add legal expenses cover to the policy. In 2021 he took out a second policy, for a different property which was also let to tenants. He renewed the policies each year.

Mr P called Cia in February 2024 to say he wanted to take possession proceedings against the tenants of the second property. He said he'd already consulted solicitors, but then remembered he had insurance and wanted to see if could claim on his policy. He was told he couldn't claim for costs he had already incurred, but was passed to the legal helpline to discuss his claim further.

The claim wasn't accepted. Mr P instructed his solicitors to pursue the case to court and incurred legal costs relating to this. He complained about the fact his costs were not covered by the insurance and said the policy had been mis-sold to him.

Cia did not agree that the policy had been mis-sold, so Mr P referred the complaint to this Service.

Our investigator did not think the policy had been mis-sold. He said Mr P had been given enough information in the original phone call when he bought the policy, and in the policy documents, to make an informed decision about taking out the insurance. And if he was unhappy with the way his claim was dealt with, he would need to make a separate complaint about that to the insurer.

Mr P disagreed and requested an ombudsman's decision. He provided detailed comments in support of this. I won't set them out in detail but the key points include:

- The view focuses on the sale of the policy, but his complaint is also about what happened when he needed to make a claim. The mis-sale only became apparent then. The information he was given when he bought the policy did not make it clear the circumstances of his claim would not be covered – he read the policy documents but there's nothing in the policy terms that shows his claim would not be covered.
- A key point is whether a claim has reasonable prospects. It was Cia (or its agent) who didn't allow the prospects to be assessed and just said if a defence had been filed, he wouldn't be covered.
- So there was either a mis-sale when he bought the policy or incorrect advice by the broker (or its agent) when he tried to make the claim. Either way, the fault lies with Cia.
- Cia did pass him to the legal team but they incorrectly told him his claim would not be covered because a defence had been filed and this automatically weakened the

prospects of success. This incorrect advice contradicts the policy wording and the IPID, which clearly show repossession is covered under the policy.

- He is complaining about a specific event – the repossession claim – and the fact he wanted assistance with this but didn't get any. The legal team was acting on behalf of Cia. His claim should have been assessed and his legal costs should have been covered, but Cia and its agents failed to assess it correctly.

The investigator considered Mr P's comments but didn't change their view. So I need to make a decision.

### **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Cia is a broker. It sold the insurance to Mr P but it doesn't provide the insurance cover – that's provided by the insurers. Cia is not responsible for any claims made on the policies, which are the insurers' responsibility. In this decision, I'm only considering the sale of the policy and can't make any decision about the way Mr P's claim was dealt with.

Cia's responsibility was to ensure Mr P was given appropriate information about the policy so that he could make an informed decision about whether to buy it. The information provided to Mr P needed to be clear, fair and not misleading.

When he first bought the policy, Mr P was sent the documents relating to the legal expenses cover including the policy schedule for this, an Insurance Policy Information Document (IPID) with a summary of the key points relating to the cover, and a link for him access the full policy terms online. Mr P has confirmed that he read these.

The policy documents set out how the cover works, including what types of claim are covered and that any claim must have reasonable prospects of success for cover to be provided. This is stated in the IPID as well as the policy terms sent to Mr P. He was also provided with updated information when renewing the policies.

I have listened to the recording of the call when Mr P bought the first policy 2019. This call relates to the insurance for his other property, but the terms and conditions are the same. Although he did mention the legal cover, the conversation was mainly around the buildings insurance. Around half way through the call Mr P asked about legal expenses insurance. The call handler explained the cover very briefly and Mr P asked to add it on.

I don't have a call recording from when Mr P took out the second policy, but it's essentially the same policy and the documents are the same. Mr P has confirmed he read the policy documents at the time.

Cia didn't make a recommendation to Mr P about whether he should add the legal expenses cover; it just provided information about this. It was for him to decide whether he wanted to add it. I'm satisfied Mr P was given the information he needed to make a decision on whether he wanted to add the legal expenses cover.

The information Mr P was given about the policy wouldn't necessarily make it clear his claim would not be covered – the policy documents set out the cover provided, but each claim will need to be individually assessed, based on the circumstances relating to that claim.

As I've explained, Cia is not responsible for the claim. Mr P suggests it's all connected but once he was put through to the legal helpline Cia was no longer involved. The policy terms

explain that advice can be obtained from the legal helpline, which is provided by a firm of solicitors. They are not acting on behalf of Cia. And if a claim is then made, the insurer is responsible for that.

It's not unusual for a legal expenses policy to say cover will only be provided if a claim has reasonable prospects of success; this is a requirement of virtually all legal expenses insurance. Insurers will obtain legal advice about this. Cia didn't deal with the assessment of his claim; all it did was pass this on. The insurer was responsible for what happened with his claim after that.

I understand Mr P has made a complaint to the insurer about the claim and that will need to be considered separately.

Even if there was a failing by Cia (and I don't think there was) to say there was a mis-sale I'd need to be satisfied Mr P would have done something different, or has lost out in some way. He went to Cia to buy a landlord's policy for the property. Legal expenses was simply an additional bit of cover that could be added. It wasn't key to his decision to buy this policy and it's unlikely he would have decided not to take out the landlord's policy just because of the terms of the legal expenses add-on. And any other policy would also have included a requirement for a claim to have prospects of success. So even if he had got a different policy, this would still have been a requirement.

### **My final decision**

My decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 31 October 2025.

Peter Whiteley  
**Ombudsman**